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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

UNITED STATES OF AMERICA and
STATE OF CALIFORNIA,

Plaintiffs,

v.

MONTROSE CHEMICAL CORPORATION
OF CALIFORNIA, et al.,

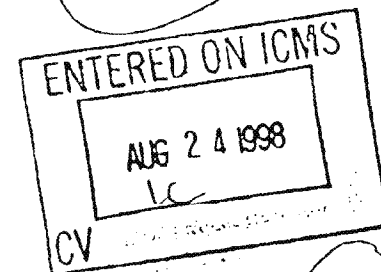
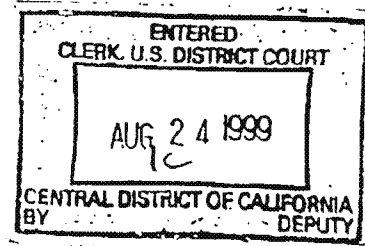
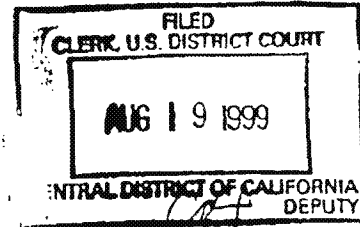
Defendants.

AND RELATED COUNTER, CROSS,
AND THIRD PARTY ACTIONS.

THIS CONSTITUTES NOTICE OF ENTRY
AS REQUIRED BY FRCP, RULE 77(d).

NO. CV 90-3122-AAH (JRx)

AMENDMENT TO THE
MAY 19, 1992 CONSENT DECREE



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AUG 24 1999

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1 AMENDMENT TO CONSENT DECREE

2 This Amendment to the May 19, 1992 Consent Decree
3 ("Amendment") is made and entered into by and among the United
4 States of America ("the United States"), on behalf of the
5 National Oceanic and Atmospheric Administration ("NOAA"), the
6 Department of the Interior ("DOI"), and the United States
7 Environmental Protection Agency ("EPA"), and the State of
8 California, on behalf of the State Lands Commission, the
9 Department of Fish and Game, the Department of Parks and
10 Recreation, the Department of Toxic Substances Control ("DTSC"),
11 and the California Regional Water Quality Control Board, Los
12 Angeles Region ("Regional Board") (the above-referenced federal
13 and state agencies are hereafter collectively referred to as the
14 "Governmental Parties"), Potlatch Corporation ("Potlatch"),
15 Simpson Paper Company ("Simpson"), and Simpson Investment
16 Company.

17 INTRODUCTION

18 A. Potlatch or its predecessor owned and operated a
19 paper manufacturing plant in Pomona, California from 1952 until
20 1979. Simpson purchased the paper plant in 1979 and owned and
21 operated the plant through July 8, 1998. The paper manufacturing
22 plant is neither a part of the Montrose National Priorities List
23 ("NPL") Site as listed on the National Priorities List, nor part
24 of the "Montrose NPL Site" as that term is defined in Paragraph
25 7.I of the Definition Section of this Amendment. Unless
26 specified otherwise, the term "Montrose NPL Site" when used
27 herein shall be interpreted consistent with the meaning ascribed
28 to it in Paragraph 7.I of this Amendment. At various times

1 during operation of the plant, wastewater has been discharged
2 from the plant into the County Sanitation District No. 2 of Los
3 Angeles County ("LACSD") sewer lines through LACSD's Joint Water
4 Pollution Control Plant ("JWPCP") and White's Point Outfall into
5 the Pacific Ocean and onto the Palos Verdes shelf (hereinafter
6 "Palos Verdes shelf" or "Shelf"). The Governmental Parties have
7 alleged in this action that wastewater discharged from the plant
8 and eventually onto the Palos Verdes shelf contained hazardous
9 substances, including polychlorinated biphenyls ("PCBs").

10 B. The United States, on behalf of NOAA and DOI in
11 their capacities as natural resource trustees (hereafter the
12 "Federal Trustees"), and the State of California, on behalf of
13 the State Lands Commission, the Department of Fish and Game and
14 the Department of Parks and Recreation in their capacities as
15 natural resource trustees (hereafter the "State Trustees") (the
16 Federal and State Trustees collectively are referred to as "the
17 Trustees"), entered into a Consent Decree ("1992 Decree") with
18 Potlatch and Simpson. The 1992 Decree was approved and entered
19 by this Court on May 19, 1992. A copy of the 1992 Decree is
20 appended hereto as Exhibit "A".

21 C. The 1992 Decree resolved the liability of the
22 Settling Defendants under the First Claim for Relief of the
23 Second Amended Complaint (the "Complaint.") The First Claim for
24 Relief, which was filed on behalf of the Trustees only, seeks
25 natural resource damages at "the Site," as that term is defined
26 in Paragraph 7(F) of the 1992 Decree, including related damage
27 assessment and response costs, pursuant to Section 107(a)(4)(C)
28 of CERCLA, 42 U.S.C. § 9607(a)(4)(C), for injury to, destruction

1 of, and loss of natural resources resulting from releases of
2 hazardous substances, including dichloro-diphenyl trichloroethane
3 and its metabolites (hereinafter collectively "DDT"), and PCBs,
4 from facilities in and around Los Angeles, California, into the
5 environment, including the Montrose Natural Resource Damages Area
6 ("Montrose NRD Area"), as defined herein, which encompasses the
7 Palos Verdes shelf, against ten defendants, including Potlatch
8 and Simpson.

9 D. At the time the 1992 Decree was entered, EPA did
10 not allege liability against the Settling Defendants with respect
11 to the Second Claim for Relief of the Complaint. As described in
12 the Complaint, the Second Claim for Relief, which was filed on
13 behalf of EPA only, seeks recovery of response costs, pursuant to
14 Section 107(a)(1-4)(A) of CERCLA, 42 U.S.C. § 9607(a)(1-4)(A),
15 incurred and to be incurred by the United States in response to
16 releases or threatened releases of hazardous substances into the
17 environment at and from the Montrose DDT Plant Property.

18 E. The 1992 Decree did not address the Second Claim
19 for Relief of the Complaint, but Paragraph 15.D of the 1992
20 Decree expressly reserved the rights of the parties to address
21 this claim in the future. This Amendment represents the
22 Governmental Parties' and Settling Defendants' agreement to now
23 settle all issues between the parties concerning the Second Claim
24 For Relief.

25 F. EPA is the lead agency with regard to the conduct
26 of response activities at the Montrose NPL. The State of
27 California, through DTSC and the Regional Board (as support
28 agencies), also participates in Montrose NPL Site response

1 activities consistent with Subpart F of CERCLA's National
2 Contingency Plan, 40 C.F.R. §§ 300.500 - 300.525. While the
3 State has not filed a claim in the instant action to recover
4 Response Costs incurred and to be incurred at the Montrose NPL
5 Site, DTSC and the Regional Board have incurred Response Costs in
6 connection with the Montrose NPL Site. At the time the 1992
7 Decree was entered, EPA had not investigated the Palos Verdes
8 shelf.

9 G. During the settlement negotiations concerning the
10 1992 Decree, the Trustees and Potlatch and Simpson recognized
11 that EPA had undertaken response activities at the Montrose NPL
12 Site (exclusive of the Palos Verdes shelf), pursuant to its
13 authority under CERCLA, and that EPA's investigation of the
14 releases at and from the Montrose DDT Plant Property was
15 continuing in nature. At that time, EPA's investigation included
16 the Montrose DDT Plant Property, LACSD's Joint Outfall ("J.O.")
17 "D" and District 5 Interceptor sewer lines, and the storm water
18 pathway from the former Montrose DDT Plant Property downstream to
19 the Consolidated Slip. In addition, the Trustees and Potlatch
20 and Simpson understood that it was possible that EPA could
21 initiate an investigation of the Palos Verdes shelf in the
22 future.

23 H. During the settlement negotiations concerning the
24 1992 Decree, the Trustees and Potlatch and Simpson further
25 recognized that EPA had conducted a preliminary evaluation under
26 CERCLA of the Santa Monica Bay (hereafter referred to as "the
27 Santa Monica Bay CERCLIS Site"), which included evaluation of
28 portions of the Site, as defined in Paragraph 7.F of the 1992

1 Decree, such as the Palos Verdes shelf and the Los Angeles and
2 Long Beach Harbors. Moreover, during settlement negotiations the
3 Trustees and Potlatch and Simpson were aware that on September
4 17, 1990, after the filing of this action, EPA had determined
5 that it would conduct no further investigation or remedial action
6 under CERCLA regarding the Santa Monica Bay CERCLIS Site. At the
7 time of settlement negotiations, contamination of the sediments
8 on the Palos Verdes shelf had been excluded by EPA from its
9 evaluation of the Santa Monica Bay CERCLIS Site. The Trustees
10 and Potlatch and Simpson were further aware that the EPA retained
11 authority to undertake response actions on the Palos Verdes
12 shelf. Thus, the Trustees and Potlatch and Simpson expressly
13 stated in the 1992 Decree that EPA's determination to take no
14 further action with respect to the Santa Monica Bay CERCLIS Site
15 was subject to reconsideration by EPA. Further, the Governmental
16 Parties and Potlatch and Simpson agreed that nothing in the 1992
17 Decree was intended to affect the authority or the jurisdiction
18 of EPA to take response actions on the Palos Verdes shelf, and
19 accordingly the 1992 Decree specifically reserved the authority
20 of EPA to take such actions.

21 I. Utilizing settlement monies that have been paid to
22 the Trustees under the 1992 Decree by Potlatch and Simpson and
23 other available funds, the Trustees have performed a natural
24 resource damage assessment relating to DDT and PCB contamination
25 of the Montrose NRD Area, with particular focus on the Palos
26 Verdes shelf and the assessment of injuries to natural resources
27 related to that contamination. Based upon, inter alia, the
28 information developed and assembled in connection with the

1 Trustees' damage assessment relating to DDT and PCB contamination
2 of the offshore area alleged in the First Claim for Relief, EPA
3 has determined that this contamination may pose a threat to the
4 public health or welfare or to the environment. EPA, therefore,
5 has now initiated an investigation of the Palos Verdes shelf
6 portion of the Montrose NRD Area comprised of the offshore area
7 contaminated by DDT and PCBs released into the LACSD sewer lines
8 and subsequently deposited in the sediments on the Palos Verdes
9 shelf near the White's Point Outfall (hereinafter the "Palos
10 Verdes Shelf Investigation"). EPA's Palos Verdes Shelf
11 Investigation includes the effluent-affected DDT and PCB
12 contaminated sediment described and discussed in Lee, H., The
13 Distribution and Character of Contaminated Effluent-Affected
14 Sediment, Palos Verdes Margin, Southern California (October
15 1994). For purposes of this Amendment, the term "Montrose NPL
16 Site" has been defined to include the area comprising the Palos
17 Verdes Shelf Investigation. As of May 18, 1998, EPA had not,
18 however, extended either its Palos Verdes Shelf Investigation or
19 its investigation of releases from the Montrose DDT Plant
20 Property to include the Los Angeles and the Long Beach Harbors
21 (other than the Consolidated Slip in Los Angeles Harbor). EPA
22 has lead agency responsibility for all CERCLA response activities
23 on the Palos Verdes shelf. On July 10, 1996, EPA initiated an
24 Engineering Evaluation and Cost Analysis ("EE/CA") to address
25 contaminated sediments on the Palos Verdes shelf. EPA may
26 determine as a result of the EE/CA that no action or further
27 action is warranted. Whether or not response activities are
28 undertaken by EPA with respect to the Palos Verdes shelf, EPA's

1 decision with respect to the scope of EPA response activities
2 will take the place of the physical restoration actions for the
3 Palos Verdes shelf that the Trustees contemplated at the time the
4 1992 Decree was entered. EPA has and will use, inter alia, the
5 results of the studies conducted by the Trustees in evaluating
6 and determining the appropriate response activities, if any, to
7 be taken on the Palos Verdes shelf. To avoid unnecessary
8 duplication of effort, EPA will coordinate all activities
9 undertaken by federal and state agencies at the Montrose NRD Area
10 pursuant to its authority under CERCLA.

11 J. The Trustees and Potlatch and Simpson entered into
12 the 1992 Decree settling the First Claim for Relief against the
13 Settling Defendants based upon the facts known to the Trustees
14 and Potlatch and Simpson at that time. Those facts indicated
15 that the contamination on the Palos Verdes shelf would be
16 addressed through the authority of the Trustees to collect
17 natural resource damages rather than through EPA's authority to
18 undertake response activities. The Governmental Parties'
19 intentions regarding the manner in which to address, and by whom,
20 the DDT and PCB contamination on the Palos Verdes shelf have now
21 changed, requiring amendment of the 1992 Decree.

22 K. The Trustees and Potlatch and Simpson understood
23 and expressly acknowledged in the 1992 Decree that activities
24 undertaken by the Trustees to assess natural resource damages and
25 to restore, replace or acquire equivalent natural resources at
26 the Montrose NRD Area, as defined herein, may include activities
27 of a type, i.e., investigation of the level of contamination in
28 the sediments, and capping of contaminated sediments, that EPA

1 and DTSC might perform or require to be performed under the
2 authority in Sections 104 and 106 of CERCLA, 42 U.S.C. §§ 9604
3 and 9606, to remove, arrange for the removal of, and provide for
4 remedial action relating to hazardous substances. The Trustees
5 and the Settling Defendants further recognized and expressly
6 acknowledged in the 1992 Decree that to avoid unnecessary
7 duplication of effort, the Governmental Parties would coordinate
8 all activities undertaken by federal and state agencies at the
9 Montrose NRD Area pursuant to their authority under CERCLA,
10 including, but not limited to, natural resource damage
11 assessments, restoration, replacement and acquisition activities,
12 and response actions.

13 L. Potlatch and Simpson and the Trustees believed at
14 the time the 1992 Decree was entered, and continue to believe,
15 that the actions contemplated by the Trustees would eliminate
16 threats to the environment that could give rise to the need for
17 involvement by EPA in the future. The Settling Defendants
18 contend that the elimination of the possibility of future EPA
19 response activities with respect to the Palos Verdes shelf was a
20 substantial factor in Potlatch's and Simpson's decision to
21 resolve the First Claim for Relief and to commit to the payment
22 obligations agreed upon in the 1992 Decree.

23 M. The 1992 Decree further expressly set forth that
24 the settlement between the Trustees and the Settling Defendants
25 was based on factors including, but not limited to, Potlatch's
26 and Simpson's degree of involvement in the contamination alleged,
27 the relative volumetric share of contamination contributed by
28 Potlatch and Simpson, the alleged natural resource damages and

1 estimated cost of restoration activities at the Montrose NRD
2 Area, including possible capping, dredging, treatment of
3 contaminated sediments and replacement or acquisition of
4 equivalent resources, and Potlatch's and Simpson's cooperation in
5 resolving their liability at an early stage of this litigation.

6 N. Pursuant to the requirements of Paragraphs 8
7 through 12 of the 1992 Decree, Potlatch and Simpson agreed to pay
8 a total sum of \$12,000,000 in three equal installments to the
9 Trustees, commencing in 1992, an amount which the Trustees and
10 Potlatch and Simpson believed, and the Court found, represented
11 Potlatch's and Simpson's fair share of the cost of assessing the
12 environmental conditions at the Montrose NRD Area, including the
13 Palos Verdes shelf, and implementing any of the contemplated
14 restoration actions. Potlatch and Simpson have made all payments
15 required by Paragraphs 8 through 12 of the 1992 Decree.

16 O. The Settling Defendants assert that the Trustees'
17 decision not to proceed with the physical restoration component
18 of the contemplated natural resource damage restoration
19 activities and to instead address contamination on the Palos
20 Verdes shelf through EPA-initiated response activities gives rise
21 to a claim for rescission of the contractual agreement embodied
22 in the 1992 Decree and entitles them to a refund of monies
23 already paid to the Trustees.

24 P. The Plaintiffs reject and dispute the contention
25 that the Settling Defendants have any claim for rescission.
26 Plaintiffs assert that in particular, the 1992 Decree did not
27 compromise or limit in any way the authority of EPA. In
28 addition, Plaintiffs assert that the 1992 Decree expressly

1 reserves the authority of EPA to take response actions with
2 respect to the Palos Verdes shelf and to bring suit against
3 Potlatch and Simpson to recover the resulting response costs or
4 to compel others to take appropriate response actions.
5 Plaintiffs further assert that these provisions of the 1992
6 Decree were vigorously sought by and bargained for by Plaintiffs
7 as part of the substantial arms-length negotiations with Settling
8 Defendants embodied in the 1992 Decree

9 Q. To avoid potential litigation between the Trustees
10 and the Settling Defendants over their claim for rescission of
11 the 1992 Decree, fulfill the Governmental Parties' obligation
12 under the 1992 Decree to give equitable consideration to the
13 existing settlement, and acknowledge that the physical
14 restoration actions planned by the Trustees for the Palos Verdes
15 shelf will now be performed by EPA (should such actions be
16 performed at all) under its authority to undertake response
17 activities, the Governmental Parties and the Settling Defendants
18 agree that: (1) Settling Defendants will not seek return of
19 monies previously paid to the Trustees pursuant to the 1992
20 Consent Decree, (2) EPA and DTSC will use the final payment by
21 Settling Defendants to pay a portion of the response costs
22 incurred by EPA and DTSC, and (3) the Governmental Parties will
23 execute this Amendment resolving the Settling Defendants'
24 potential liability with respect to any claims against the
25 Settling Defendants with respect to the Montrose NPL Site and the
26 Montrose NRD Area.

27 R. The Governmental Parties and the Settling
28 Defendants, with this Amendment, acknowledge that EPA has assumed

1 the lead responsibility for addressing the contaminated sediments
2 on the Palos Verdes shelf. By this Amendment, the Settling
3 Defendants have assented to the final payment being reallocated
4 to pay Response Costs relating to EPA's investigation of, and
5 potential response activity with respect to, the effluent-
6 affected sediments on the Palos Verdes shelf instead of damage
7 assessment costs and natural resource damages relating to the
8 Montrose NRD Area, even though based on the factors and
9 considerations recited below the Settling Defendants could have
10 argued that they were entitled to pay less. The Governmental
11 Parties current estimate of total damages and costs for
12 settlement purposes is between \$225 million and \$250 million. By
13 this Amendment, the Governmental Parties acknowledge and the
14 Settling Defendants confirm that they understand that any source
15 control related to the contaminated offshore sediments undertaken
16 through response activities determined to be necessary by EPA at
17 the Palos Verdes shelf will more than likely be based upon an
18 evaluation of similar approaches, involving similar types of
19 controls and lower costs, and achieving similar results, as would
20 have been obtained through physical restoration by the Trustees
21 of those same portions of the Montrose NRD Area had that action
22 been taken by the Trustees. By this Amendment, the Governmental
23 Parties' acknowledge and the Settling Defendants confirm that
24 they understand that EPA has greater statutory and administrative
25 flexibility than the Trustees in the manner in which it
26 undertakes response actions. Because some of the monies paid by
27 the Settling Defendants have been spent on the damage assessment
28 conducted by the Trustees and therefore benefitted both EPA and

1 the Trustees in determining the nature, extent and effects of the
2 contamination, the Governmental Parties and the Settling
3 Defendants have determined that the amount already paid by the
4 Settling Defendants represents their fair and appropriate share
5 of the total current estimated costs for remediation/restoration
6 of the Palos Verdes shelf DDT and PCB contaminated sediments. In
7 addition, because the amount already paid was based upon, inter
8 alia, the then current estimates of total natural resource
9 damages and response costs, which estimates were the most likely
10 to reflect actual agency actions and which actions are still
11 likely at the present time, the Governmental Parties and the
12 Settling Defendants agree that the total amount to be paid by the
13 Settling Defendants should, in fairness, remain the same. By
14 agreeing to payment of that amount, the Settling Defendants both
15 assumed the risk that such total amount might later prove to have
16 been overestimated and obtained protection against the
17 possibility that such total amount might later prove to have been
18 underestimated; and it would be unfair to now re subject them to
19 that risk and deny them that protection. In addition, the
20 greater flexibility afforded to EPA in undertaking response
21 actions is expected to result in the incurrence of lower Response
22 Costs associated with actions similar to those initially
23 considered by the Trustees. Another factor supporting the
24 fairness of the settlement is the volume of contaminants alleged
25 to have been released by Potlatch and Simpson compared to the
26 other generator defendants. Potlatch and Simpson are alleged to
27 have released approximately 4,500 pounds of PCBs and are one of a
28 number of PCB dischargers compared to the Montrose-affiliated

1 defendants (Montrose Chemical Corporation of California, Chris-
2 Craft Industries, Inc., Rhone poulenc Basic Chemicals Co., now a
3 division of Rhone-Poulenc Inc , ZENECA Holdings, Inc. formerly
4 known as ICI Americas Holdings, Inc., Atkemix Thirty-Seven, Inc.,
5 and Stauffer Management Company) who are responsible for the
6 vast majority of DDT discharged to the Palos Verdes shelf,
7 estimated by Plaintiffs to be approximately 5.5 million pounds.
8 When due weight is given to these factors, and all other relevant
9 factors, the Governmental Parties and the Settling Defendants
10 agree there should be no change in the amount of monetary
11 compensation.

12 S. Settling Parties agree and acknowledge that, with
13 respect to the geographical area encompassed by the Montrose NPL
14 Site, entry of this Amendment is in accordance with Plaintiffs'
15 obligation under the 1992 Decree to consider the settlement
16 embodied in the 1992 Decree as an equitable factor in evaluating
17 settlement of response cost claims with respect to the Montrose
18 NRD Area.

19 T. This Amendment is made in good faith after arms-
20 length negotiations conducted under the supervision of Special
21 Master Harry V. Peetris pursuant to Pretrial Order No. 1. Entry
22 of this Amendment is the most appropriate means to resolve the
23 matters covered herein and is fair, reasonable, equitable, and in
24 the public interest.

25 U. The Governmental Parties have determined that the
26 entry of this Amendment is in the public interest. This
27 Amendment is not intended to affect in any way the Governmental
28 Parties' claims against any non-settling defendant.

1 NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND
2 DECREED:

3 JURISDICTION AND VENUE

4 1. This Court has continuing jurisdiction over this
5 matter as set forth in Paragraphs 1 (Jurisdiction), 22 (Retention
6 of Jurisdiction) and 24 (Modification) of the 1992 Decree.

7 PARTIES BOUND

8 2. The parties bound by this Amendment are the
9 Settling Defendants and the United States on behalf of NOAA, DOI
10 and EPA and the State of California, on behalf of the State Lands
11 Commission, the Department of Fish and Game, the Department of
12 Parks and Recreation, DTSC and the Regional Board.

13 CONTINUING APPLICABILITY OF DECREE AND AMENDMENT

14 3. The provisions of the 1992 Decree shall remain in
15 full force and effect, unaffected by this Amendment unless and
16 until the Date of Final Approval of this Amendment as defined
17 herein. Furthermore, if this Amendment is approved by the
18 Court, following exhaustion of all rights of appeal, all terms
19 and conditions of the 1992 Decree which are not modified by this
20 Amendment shall remain in full force and effect.

21 APPLICABILITY OF AMENDMENT

22 4. The provisions of this Amendment shall be binding
23 on and inure to the benefit of the United States and the State,
24 and shall be binding on and inure to the benefit of the Settling
25 Defendants, their officers, directors, employees, agents,
26 predecessors, subsidiaries, affiliates, successors and assigns.
27 No change in the ownership or organizational form or status of a
28

1 Settling Defendant shall affect its rights or obligations under
2 this Amendment.

3 EFFECT OF SETTLEMENT/ENTRY OF JUDGMENT

4 5. This Amendment was negotiated and executed by the
5 Governmental Parties and the Settling Defendants hereto in good
6 faith at arms length to avoid the resumption and continuation of
7 expensive and protracted litigation between the Governmental
8 Parties and the Settling Defendants and is a fair, reasonable,
9 and equitable settlement of contested claims. The execution of
10 this Amendment is not, and shall not constitute or be construed
11 as, an admission of liability by any Party, nor is it an
12 admission of any of the factual allegations set out in the Second
13 Amended Complaint or Counterclaims or an admission of violation
14 of any law, rule, regulation, or policy by any of the
15 Governmental Parties and the Settling Defendants to this
16 Amendment.

17 6. Upon the Date of Final Approval of this Amendment,
18 the 1992 Decree and this Amendment shall constitute a final
19 judgment between and among the Governmental Parties and the
20 Settling Defendants, as set forth in paragraph 4.

21 DEFINITIONS

22 7. To the extent any term is not expressly defined in
23 this Amendment, this Amendment incorporates the definitions set
24 forth in Section 101 of CERCLA, 42 U.S.C. § 9601, and in the 1992
25 Decree. Whenever the following terms are used in this Amendment,
26 they shall have the following meanings:

27 A. "Date of Execution of this Amendment" shall
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1 mean the date by which this Amendment has been signed by all of
2 the following: the authorized representative of each of the
3 Settling Defendants, the State, and by the Assistant Attorney
4 General of the Environment and Natural Resources Division of the
5 United States Department of Justice.

6 B. "Date of Lodging of this Amendment" shall mean the
7 date that this Amendment is lodged with the District Court.

8 C. "Date of Initial Approval of this Amendment" shall
9 mean the date on which this Amendment has been initially approved
10 and signed by the United States District Court.

11 D. "Date of Final Approval of this Amendment" shall
12 mean the later of (1) the date on which the District Court has
13 approved and entered this Amendment as a judgment and all
14 applicable appeal periods have expired without an appeal being
15 filed, or (2) if an appeal is taken, the date on which the
16 District Court's judgment is affirmed and there is no further
17 right to appellate review.

18 E. "Montrose Natural Resource Damages ("NRD") Area"
19 for purposes of this Amendment shall mean the area in and around
20 the Channel Islands, including Santa Catalina Island, the Palos
21 Verdes shelf, the San Pedro Channel and the Los Angeles and Long
22 Beach Harbors as described in the Complaint and as described in
23 the draft Damage Assessment Plan and draft Injury Determination
24 Plan published by the Trustees on February 6, 1990 and March 8,
25 1991, respectively, Santa Monica Bay, and San Pedro Bay.

26 F. "Joint Outfall System" shall mean that
27 wastewater collection, treatment and disposal facility of certain
28 county sanitation districts of Los Angeles County discharging

1 effluent through the White's Point Outfall and consisting of the
2 JWPCP and the associated sewers, pumping plants, inland water
3 reclamation plants, treatment plants, treatment plant outfall
4 sewers and incidental sanitation works operated pursuant to the
5 1995 Joint Outfall Agreement by LACSD, as defined therein,
6 including subsequent modifications to that system, as
7 contemplated by that Agreement.

8 G. "Damage Assessment Costs" shall mean all
9 costs, including all related enforcement costs, associated with
10 the planning, design, implementation and oversight of the
11 Trustees' damage assessment process, which addresses the fact,
12 extent and quantification of the injury to, destruction of or
13 loss of natural resources and the services provided by these
14 resources resulting from releases of hazardous substances alleged
15 in the First Claim for Relief of the Complaint, and with the
16 planning of restoration or replacement of such natural resources
17 and the services provided by those resources, or the planning of
18 the acquisition of equivalent resources or services, and any
19 other costs necessary to carry out the Trustees' responsibilities
20 with respect to those natural resources.

21 H. "Natural Resource Damages" shall mean damages,
22 including loss of use, restoration costs, resource replacement
23 costs of equivalent resource values, Damage Assessment Costs, and
24 any other costs incurred or to be incurred by the Trustees or any
25 other person pursuant to Trustee approval, authorization, or
26 direction, with respect to injury to, destruction of, or loss of
27 any and all natural resources in and around the Montrose NPL Site
28 and the Montrose NRD Area.

1 I. "Montrose NPL Site" for purposes of this Amendment,
2 shall mean and includes, but is not limited to, the Montrose DDT
3 Plant Property, and any other areas impacted by releases of
4 hazardous substances from the Montrose DDT Plant Property as
5 determined by EPA, including but not limited to: the real
6 property located at 1401 West Del Amo Boulevard, Los Angeles,
7 California and owned by Jones Chemicals, Inc.; those portions of
8 the Normandie Avenue Ditch adjacent to and south of 20201 South
9 Normandie Avenue; the Kenwood Drain; the Torrance Lateral; the
10 Dominguez Channel (from Laguna Dominguez to the Consolidated
11 Slip); the portion of the Los Angeles Harbor known as the
12 Consolidated Slip from the mouth of the Dominguez Channel south
13 to, but not including or proceeding beyond, Pier 200B and Pier
14 200Y; the LACSD's J.O. "D" sewer from manholes D33 to D5
15 (approximately Francisco Street to 234th Street); the District 5
16 Interceptor sewer from manholes A475 to A442 (approximately
17 Francisco Street to Sepulveda Boulevard); the real property on
18 which the sewer rights-of-way are located for those portions of
19 the District 5 Interceptor and J.O. "D" sewer identified above;
20 the real property burdened by the adjacent railroad right-of-way
21 for those portions of the District 5 Interceptor and J.O. "D"
22 sewer identified above; the "Montrose CERCLA Removal Site" as
23 defined in EPA Region IX's Unilateral Administrative Order 95-18,
24 Findings of Fact at § 3, ¶ 2, dated June 7, 1995; those areas of
25 the Palos Verdes shelf where effluent-affected DDT and/or PCB-
26 contaminated sediments have come to be located, and any other
27 areas that are or EPA determines to be part of the Palos Verdes
28 Shelf Investigation (including any portions of the Santa Monica

1 Bay or Los Angeles/Long Beach Harbors should EPA in the future
2 determine that those areas are part of the Palos Verdes Shelf
3 Investigation.

4 J. "Response Costs" as used in this Amendment
5 shall mean all costs of response as provided in Section 107(a)(1-
6 4)(A) of CERCLA, 42 U.S.C. § 9607(a)(1-4)(A), and as defined in
7 Section 101(25) of CERCLA, 42 U.S.C. § 9601(25), that the United
8 States, the State, or any other person have incurred or will
9 incur with respect to the Montrose NPL Site and the Montrose NRD
10 Area.

11 K. "Montrose DDT Plant Property" shall mean for the
12 purposes of this Amendment the thirteen (13) acre parcel at 20201
13 South Normandie Avenue, Los Angeles, California 90044, which is
14 the site of Montrose Chemical Corporation of California's former
15 DDT production and formulation plant.

16 L. "Parties" shall mean each of the signatories to
17 this Amendment.

18 M. "Settling Defendants" shall mean for purposes of
19 this Amendment only the Potlatch Corporation, the Simpson Paper
20 Company, and the Simpson Investment Company.

21 PAYMENT TERMS

22 8. All payments pursuant to the 1992 Decree have been
23 made. These payments constitute compliance with both this
24 Amendment and the 1992 Decree. Within ten working (10) days of
25 the Date of Final Approval of this Amendment, Plaintiffs shall
26 petition the District Court to release and disburse a portion of
27 these funds to EPA and DTSC (the "Response Settlement Amount")
28 plus all interest accrued on the final payment made on January 4,

1 1996. The disbursement of the Response Settlement Amount shall
2 be as described in paragraphs 9 and 10 below. Settling
3 Defendants agree to not oppose Plaintiffs' petition for release
4 and disbursement of the Response Settlement Amount.

5 9. Disbursement to DTSC shall be in the amount of
6 \$70,000 plus all interest accrued thereon.

7 10. Disbursement to EPA shall be in the amount of
8 \$3,930,000 plus all interest accrued thereon. These funds shall
9 be specifically disbursed as follows: 1) \$150,000 for past
10 Response Costs incurred by EPA with respect to the Montrose NPL
11 Site for deposit by EPA in the Hazardous Substance Superfund and
12 2) \$3,780,000 together with all remaining interest for deposit by
13 EPA in the "United States Environmental Protection Agency, Palos
14 Verdes Shelf Special Account." All disbursements shall reference
15 the Montrose Chemical Corporation of California Superfund Site,
16 Site # 9T26, DOJ Case # 90-11-3-511, U.S.A.O. file number
17 9003085.

18 11. EPA commits to expend the settlement funds paid by
19 Settling Defendants and disbursed to the United States
20 Environmental Protection Agency, Palos Verdes Shelf Special
21 Account for response activities with respect to the Palos Verdes
22 shelf. All such monies not so used by EPA may be deposited in
23 the Hazardous Substance Superfund but only after completion of
24 the EPA response actions in connection with the Palos Verdes
25 shelf DDT and PCB contaminated sediments.

26 COVENANTS NOT TO SUE FOR NATURAL RESOURCE DAMAGES

27 12. Except as specifically provided in Paragraphs 13
28 and 14 of this Amendment, the United States, and the State, and

1 agencies and instrumentalities thereof, each hereby covenants not
2 to sue or to take any other civil or administrative action
3 against the Settling Defendants for any and all civil or
4 administrative liability to the United States, the State, and
5 agencies or instrumentalities thereof, for Natural Resource
6 Damages under CERCLA, 42 U.S.C. §§ 9601, et seq., or under any
7 other federal, state, or common law. The 1992 Decree covenants
8 shall remain in effect until the Date of Final Approval of this
9 Amendment.

10 RESERVATION OF RIGHTS FOR NATURAL RESOURCE DAMAGES

11 13. A. Notwithstanding any other provision of this
12 Amendment, the Trustees reserve the right to institute
13 proceedings against the Settling Defendants in this action or in
14 a new action seeking recovery of Natural Resource Damages, based
15 on (1) injury to, destruction of, or loss of natural resources
16 resulting from conditions which were unknown to the Trustees on
17 the Date of Lodging of this Amendment ("Unknown Conditions"); or
18 (2) information received by the Trustees after the Date of
19 Lodging of this Amendment which indicates there is injury to,
20 destruction of, or loss of natural resources, of a type unknown
21 to the Trustees as of the Date of Lodging of this Amendment ("New
22 Information").

23 B. Each of the following shall not be considered to
24 be Unknown Conditions or New Information within the meaning of
25 Paragraph 13.A (1) or (2): (1) an increase solely in the
26 Trustees' assessment of the magnitude of the injury, destruction
27 or loss to natural resources, or in the estimated or actual
28 Natural Resource Damages; (2) a determination by the Trustees

1 that a previously identified natural resource injury was caused
2 by the Settling Defendants' alleged release of a hazardous
3 substance, including hazardous substances other than PCBs or DDT;
4 or (3) any Natural Resource Damages arising from any future
5 release of hazardous substances now present in the sediments of
6 the Palos Verdes shelf, to the extent that the release resulted
7 from:

8 (a) LACSD's sampling activities (by coring, trawling, or
9 otherwise);

10 (b) LACSD's institution of full secondary treatment of
11 wastewater at the JWPCP and the discharge of such wastewater
12 through the White's Point Outfall;

13 (c) any response activity or similar activity performed by
14 or at the direction of any federal or state governmental
15 body or any other person;

16 (d) any act of God; or

17 (e) an earthquake.

18 C. The Settling Defendants reserve their right to
19 contest any claims allowed by Paragraph 13.A of this Amendment,
20 and the Settling Defendants do not by consenting to this
21 Amendment waive any defense to such claims, except that the
22 Settling Defendants covenant not to assert, and may not maintain,
23 any defense based upon principles of waiver, res judicata,
24 collateral estoppel, issue preclusion, claim splitting, or other
25 defense based upon the contention that the claims that are
26 allowed by Paragraph 13.A of this Amendment were or should have
27 been brought in the instant case. In the event that the Trustees
28 institute proceedings under Paragraph 13.A of this Amendment, the

1 Settling Defendants reserve their right to assert potential
2 cross-claims, counterclaims or third party claims against the
3 United States or the State, or any employee, officer, agency or
4 instrumentality thereof, relating to such claims asserted by the
5 Trustees pursuant to Paragraph 13.A. Nothing in this Amendment
6 shall be deemed to constitute preauthorization of a claim within
7 the meaning of Section 111 of CERCLA, 42 U.S.C. § 9611.

8 D. In addition to defenses that may be asserted by
9 the Settling Defendants pursuant to Paragraph 13.C above, and a
10 defense that a future release of hazardous substances now present
11 in the sediments of the Palos Verdes shelf was the result of
12 conditions or information known to the Trustees on the Date of
13 Lodging of this Amendment, the Settling Defendants will not be
14 liable for Natural Resource Damages arising from a future release
15 of hazardous substances now present in the sediments of the Palos
16 Verdes shelf, to the extent that the release resulted from: (1)
17 LACSD's sampling activities (by coring, trawling, or otherwise);
18 (2) LACSD's institution of full secondary treatment of wastewater
19 at the JWPCP and the discharge of such wastewater through the
20 White's Point Outfall; (3) any response activity or similar
21 activity performed by or at the direction of any federal or state
22 governmental body or any other person; (4) any act of God; or (5)
23 an earthquake.

24 14. Notwithstanding any other provision of this
25 Amendment, the covenants not to sue in Paragraph 12 shall apply
26 only to matters addressed in Paragraph 12 and specifically shall
27 not apply to the following claims:

28

1 A. claims based on a failure by the Settling Defendants to
2 satisfy the requirements of this Amendment;
3 B. claims for criminal liability; and
4 C. claims arising from the past, present, or future
5 disposal, release or threat of release of hazardous substances
6 that do not involve the Montrose NRD Area or the Montrose NPL
7 Site.

8 COVENANTS NOT TO SUE FOR RESPONSE COSTS

9 15. Except as specifically provided in Paragraphs 16
10 and 17 of this Amendment, the United States and the State, and
11 agencies and instrumentalities thereof, each hereby covenants not
12 to sue or to take any other civil or administrative action
13 against the Settling Defendants for any and all civil or
14 administrative liability to the United States, the State, and
15 agencies or instrumentalities thereof, to compel response actions
16 or to recover Response Costs including, but not limited to, costs
17 for studies and evaluations of the area covered by response
18 actions under Sections 106 and 107 of CERCLA, 42 U.S.C. §§ 9606
19 and 9607, or pursuant to the California Hazardous Substances
20 Account Act, California Health and Safety Code §§ 25300 et seq.,
21 or any other state statute or state common law. In addition, the
22 United States and the State, and agencies and instrumentalities
23 thereof, each hereby covenants not to sue or take administrative
24 action against the Settling Defendants to compel response actions
25 or to recover Response Costs incurred or to be incurred in the
26 future in connection with the Montrose NPL Site under the
27 Resource Conservation and Recovery Act ("RCRA") Sections 3008(h),
28 3013, or 7003, 42 U.S.C. §§ 6928(h), 6934 and 6973 or California

1 Health and Safety Code § 25187. The State, and agencies and
2 instrumentalities thereof, each hereby further covenants not to
3 sue or take administrative action against the Settling
4 Defendants, to compel response activities or to recover Response
5 Costs incurred or to be incurred in the future in connection with
6 the Montrose NPL Site under Section 7002 of RCRA, 42 U.S.C. §
7 6972. These covenants not to sue are in addition to Paragraph 13
8 of the 1992 Decree and Paragraph 12 of this Amendment and shall
9 become effective upon the Date of Initial Approval of this
10 Amendment, and shall remain in effect so long as the Settling
11 Defendants are fulfilling their obligations under this Amendment,
12 subject to the Governmental Parties' and the Settling Defendants'
13 rights to void this Amendment pursuant to Paragraph 27 herein.

14 RESERVATION OF RIGHTS FOR RESPONSE COSTS

15 16. The covenants set forth in Paragraph 15 pertain
16 only to matters expressly specified therein, and extend only to
17 the Settling Defendants. Any claim or defense which the United
18 States or the State has against any other person or entity not a
19 party to this Amendment is expressly reserved. The United States
20 and the State reserve, and this Amendment is without prejudice
21 to, all other rights and claims against the Settling Defendants,
22 individually or collectively, with respect to all other matters,
23 including but not limited to, the following:

24 A. any and all claims against a Settling
25 Defendant based upon or resulting from a failure to meet a
26 requirement of this Amendment;

27 B. claims for criminal liability;

28

1 C. claims for violations of any other federal or state
2 law or permit;

3 D. claims arising from the presence of a
4 hazardous substance at any location outside of the Montrose NPL
5 Site including, but not limited to, the proposed Del Amo NPL Site
6 as it may be defined by EPA.

7 17. In addition to the reservations set out in
8 Paragraph 16 hereto, the United States and the State reserve, and
9 this Amendment is without prejudice to, the right to institute
10 proceedings in this action or in a new action seeking to compel
11 the Settling Defendants to reimburse the United States or the
12 State for additional Response Costs if subsequent to the Date of
13 Execution of this Amendment:

14 A. the United States or the State receives, in whole
15 or in part, information unknown to EPA, DTSC, or the Regional
16 Board as of the Date of Lodging of this Amendment, indicating
17 that after the Date of Lodging of this Amendment the Settling
18 Defendants released one or more hazardous substances that come to
19 be located at the Palos Verdes shelf, and that EPA, DTSC, or the
20 Regional Board determines may be a threat to human health or the
21 environment, provided that the foregoing shall not be deemed to
22 apply to any re-exposure or resuspension on the Palos Verdes
23 shelf of the DDT or PCB-contaminated sediments currently located
24 there, including but not limited to, such re-exposure or
25 resuspension of sediments resulting from:

26 (i) LACSD's sampling activities (by coring, trawling, or
27 otherwise);
28

1 (ii) LACSD's institution of full secondary treatment of
2 wastewater at the JWPCP and the discharge of such wastewater
3 flows through the White's Point Outfall;

4 (iii) any response activity or similar activity performed by
5 or at the direction of any federal or state governmental
6 body or any other person;

7 (iv) any act of God; or

8 (v) an earthquake.

9 B. the United States or the State discovers a
10 condition at the Montrose NPL Site, that EPA, DTSC, or the
11 Regional Board determines may be a threat to human health or
12 welfare or the environment, and that was unknown to EPA, DTSC, or
13 the Regional Board prior to the Date of Lodging of this
14 Amendment.

15 18. The Settling Defendants reserve their right to
16 contest any claims allowed by Paragraphs 16 and 17 of this
17 Amendment and the Settling Defendants do not by consenting to
18 this Amendment waive any defenses to such claims, except that the
19 Settling Defendants covenant not to assert, and may not maintain,
20 any defense or claim based upon principles of waiver, res
21 judicata, collateral estoppel, issue preclusion, claim splitting,
22 or other defense based upon any contention that the claims that
23 are allowed by Paragraphs 16 and 17 were or should have been
24 brought in the instant case. In the event that the United States
25 or the State institutes proceedings under Paragraphs 16 or 17 of
26 this Amendment, the Settling Defendants reserve the right to
27 assert potential cross-claims, counterclaims or third party
28 claims against the United States, the State, or any employee,

1 officer, agency or instrumentality thereof, relating to such
2 claims asserted by the United States or the State, and the
3 agencies or instrumentalities thereof. Nothing in this Amendment
4 shall be deemed to constitute preauthorization of a claim within
5 the meaning of Section 111 of CERCLA, 42 U.S.C. § 9611, or 40
6 C.F.R. § 300.700(d).

7 COVENANTS BY SETTLING DEFENDANTS

8 19. Subject to the rights reserved in Paragraphs 13.C
9 and 18, each Settling Defendant hereby covenants not to sue or to
10 assert any administrative claim or cause of action of any kind
11 against the United States, or any employee, officer, agency or
12 instrumentality thereof, or the State, or any employee, officer,
13 agency or instrumentality thereof (but not including counties,
14 cities, local governmental entities or sanitation districts) with
15 respect to the Montrose NPL Site, including but not limited to:
16 (1) any direct or indirect claim for reimbursement from the
17 Hazardous Substance Superfund established pursuant to 26 U.S.C. §
18 9507, under Sections 106(b)(2), 111, 112, or 113 of CERCLA, 42
19 U.S.C. §§ 9606(b)(2), 9611, 9612, or 9613, any claim pursuant to
20 the Federal Tort Claims Act, 28 U.S.C. §§ 1346(b) and 2671, et
21 seq., or any claim arising from any express or implied contract
22 pursuant to 28 U.S.C. § 1346(a)(2) or 28 U.S.C. § 1491(a)(1), or
23 any claim pursuant to the California Hazardous Substance Account
24 Act, California Health and Safety Code §§ 25300, et seq., or
25 under any other provision of law; (2) any claim related to the
26 Montrose NPL Site or the Montrose NRD Area under Sections 107 or
27 113 of CERCLA, 42 U.S.C. §§ 9607 or 9613, against the United
28 States, including any department, agency, or instrumentality of

1 the United States or the State, or any employee, officer, agency
2 or instrumentality thereof (but not including counties, cities,
3 local governmental entities or sanitation districts); or (3) any
4 claims arising out of response activities at the Montrose NPL
5 Site. Nothing in this Amendment shall be deemed to constitute
6 preauthorization of a claim within the meaning of Section 111 of
7 CERCLA, 42 U.S.C. § 9611, or 40 C.F.R. § 300.700(d).

8 RETENTION OF RECORDS

9 20. A. Settling Defendants certify that they have
10 provided the Governmental Parties with copies of all non-
11 privileged documents which relate to the release of any hazardous
12 substance to or from the Montrose NPL Site. In the event
13 additional non-privileged documents which relate to the release
14 of any hazardous substance to or from the Montrose NPL Site are
15 discovered, the Settling Defendants further certify that they
16 will provide copies of such documents to the Governmental Parties
17 and such obligation shall survive the termination of this
18 Amendment.

19 B. Until five years after the entry of this
20 Amendment, the Settling Defendants shall preserve and retain all
21 records and documents now in their possession or control or which
22 come into their possession or control, that relate to the release
23 of any hazardous substance to or from the Montrose NPL Site that
24 the Settling Defendants believe are privileged or otherwise
25 protected from disclosure, and that the Settling Defendants have
26 not previously produced to the United States or the State. At
27 the conclusion of this document retention period, the Settling
28 Defendants shall notify the United States and the State at least

1 ninety (90) days prior to the destruction of any such records or
2 documents. Thereafter, upon request by the United States and the
3 State, the Settling Defendants shall either: (1) produce or make
4 available any such records or documents at a mutually convenient
5 time and place agreed upon by the Parties; or (2) assert that
6 such documents, records and other information are privileged
7 under attorney client privilege, or any other privilege or
8 doctrine recognized under state or federal law, and at
9 Plaintiffs' request, provide a privilege log. Such a privilege
10 log shall provide the United States and the State with the
11 following information: (1) title of document or record; (2) date
12 of document or record; (3) name and position of the author of the
13 document or record, (4) description of the subject of the
14 document or record; and (5) the specific basis for the privilege
15 or doctrine asserted. Also, if Plaintiffs institute any
16 proceedings pursuant to paragraph 13 or 17, Plaintiffs may in
17 that instance request the above-described privilege log.

18 COMPLIANCE WITH OTHER LAWS

19 21. This Amendment shall not be construed in any way
20 to relieve the Settling Defendants or any other person or entity
21 from the obligation to comply with any federal, state or local
22 law.

23 RETENTION OF JURISDICTION

24 22. The Court shall retain jurisdiction of this matter
25 for the purpose of entering such further order, direction, or
26 relief as may be necessary or appropriate for the construction,
27 implementation or enforcement of this Amendment.

28

1 AUTHORIZED REPRESENTATIVE

2 23. Each undersigned representative of a Party to this
3 Amendment certifies that he or she is fully authorized to enter
4 into the terms and conditions of this Amendment and to legally
5 execute and bind that party to this Amendment.

6 MODIFICATION

7 24. The terms of this Amendment may be modified only
8 by a subsequent written agreement signed by all of the
9 Governmental Parties and the Settling Defendants signatory
10 hereto, and approved by the Court as a modification to this
11 Amendment.

12 PUBLIC COMMENT

13 25. The Governmental Parties and the Settling
14 Defendants acknowledge that this Amendment will be subject to a
15 30-day public comment period as provided in 28 C.F.R. § 50.7.
16 The Governmental Parties and the Settling Defendants further
17 acknowledge that this Amendment may be the subject of a public
18 meeting as specified in Section 7003 of RCRA, 42 U.S.C. § 6973.
19 The Governmental Parties reserve the right to withdraw their
20 consent to this Amendment if comments received disclose facts or
21 considerations which show that this Amendment is inappropriate,
22 improper or inadequate. The Settling Defendants consent to the
23 entry of this Amendment by the Court without further notice.

24 CONTRIBUTION PROTECTION

25 26. The Governmental Parties acknowledge and agree
26 that the payments made by the Settling Defendants pursuant to the
27 1992 Decree and this Amendment represent a good faith settlement
28 and compromise of a disputed claim and that the settlement

1 represents a fair, reasonable and equitable discharge of
2 liability for the matters addressed in this Amendment. With
3 regard to claims for contribution against the Settling Defendants
4 for matters addressed in this Amendment, the Governmental Parties
5 and the Settling Defendants hereto agree that, as of the Date of
6 Final Approval of this Amendment, the Settling Defendants are
7 entitled to such protection as is provided in Section 113(f) of
8 CERCLA, 42 U.S.C. § 9613(f), and any other applicable statute or
9 other law limiting or extinguishing their liability to persons
10 not party to this Amendment. For purposes of this Paragraph, the
11 Governmental Parties and the Settling Defendants agree that
12 "matters addressed in this Amendment" include: (1) Response
13 Costs; and (2) Natural Resource Damages. Any rights Settling
14 Defendants may have to obtain contribution or otherwise recover
15 costs or damages from persons not party to this Amendment are
16 fully preserved. No contribution protection is provided by this
17 Amendment for any claim for Response Costs under CERCLA incurred
18 in connection with the presence, release or threatened release of
19 a hazardous substance outside the geographic boundaries of the
20 Montrose NPL Site as those terms are defined herein.

21 VOIDABILITY

22 27. If for any reason the District Court, or upon
23 appellate review, a higher court, should decline to approve entry
24 of this Amendment in the form presented, this Amendment and the
25 settlement embodied herein shall be voidable by written notice to
26 the other Parties at the sole discretion of any party to this
27 Amendment, and the terms hereof may not be used as evidence in
28 any litigation or other proceeding. In the event this Amendment

1 is declared void, all terms and conditions of the 1992 Decree are
2 and shall remain in full force and effect.

3 NOTICE

4 28. Any notice required hereunder shall be in writing
5 and shall be delivered by hand, facsimile or overnight mail as
6 follows:

7 Notice to Governmental Parties:

8 Chief
9 Environment and Natural Resources Division
10 Environmental Enforcement Section
11 U.S. Department of Justice
12 1425 New York Avenue, N.W.
13 Washington, D.C. 20005
14 Facsimile (202) 514-2583

12 Supervising Deputy Attorney General
13 Land Law Section
14 300 South Spring Street
15 Fifth Floor
Los Angeles, CA 90013
Facsimile (213) 897-2801

15 Notice to Settling Defendants:

16 Potlatch Corporation
17 601 West Riverside Avenue
18 Suite 1100
19 Spokane, Washington 99201
Attention: General Counsel
Facsimile: (509) 835-1561

20 Simpson Paper Company/Simpson Investment
21 Company
22 1301 Fifth Avenue
23 Suite 2800
Seattle, WA 98101-2613
Attention: General Counsel
Facsimile: (206) 224-5059

24 Gregory R. McClintock
25 McClintock, Weston, et al.
26 444 South Flower Street
Forty-Third Floor
Los Angeles, CA 90071
Facsimile: (213) 623-0824

27
28 Rene P. Tatro
Tatro Coffino Zeavin Bloomgarden

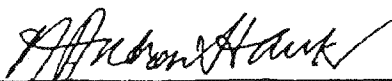
1 1875 Century Park East
2 Suite 1220
3 Los Angeles, CA 90067
4 Facsimile: (310) 229-2491

5 Each party to this Amendment may change the person(s)
6 it has designated to receive notice for that party, or the
7 addresses for such notice, by filing a written notice of such
8 change with the Court and serving said notice on each of the
9 other parties to this Amendment.

10 29. By signature below, all Parties consent to this
11 Amendment.

12 ORDER

13 THE FOREGOING Amendment to the May 19, 1992 Consent
14 Decree among the Governmental Parties and the Settling Defendants
15 is hereby APPROVED. There being no just reason for delay, this
16 Court expressly directs, pursuant to Federal Rules of Civil
17 Procedure 54(b), ENTRY OF FINAL JUDGMENT in accordance with the
18 terms of this Amendment to the May 19, 1992 Consent Decree this
19 19 DAY OF August, 1997, that each of the Governmental
20 Parties and the Settling Defendants bear its own costs and
21 attorney's fees except as otherwise provided herein.

22 
23 A. ANDREW HAUK
24 Senior United States District Judge
25 and
26 Chief Judge Emeritus
27
28

1 FOR THE UNITED STATES OF AMERICA:

2 WE HEREBY CONSENT to the entry of the Amendment to the May
3 19, 1992 Consent Decree in United States, et al. v. Montrose
4 Chemical Corporation of California, et al., No. CV 90-3122-AAH
5 (JRx), subject to the public notice and comment requirements of
6 28 C.F.R. § 50.7.

7
8 DATE: 11/5/98

Lois J. Schiffer
LOIS J. SCHIFFER
Assistant Attorney General
Environment and Natural Resources
Division
United States Department of Justice

9
10
11
12 DATE: 7/24/98

Adam M. Kushner
ADAM M. KUSHNER
STEVEN O'ROURKE
Environmental Enforcement Section
Environment and Natural Resources
Division
United States Department of Justice
Post Office Box 7611
Washington, D.C. 20044
(202) 514-4046

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17
18
19 DATE: 9-18-98

Keith Takata
KEITH TAKATA
Director, Superfund Division
United States Environmental
Protection Agency, Region IX
75 Hawthorne Street
San Francisco, CA 94105

20
21
22
23
24 DATE: 9/18/98

John J. Lyons
JOHN J. LYONS
Assistant Regional Counsel
United States Environmental
Protection Agency
Region IX
75 Hawthorne Street
San Francisco, CA 94105

1 FOR THE CALIFORNIA DEPARTMENT OF FISH AND GAME:

2 WE HEREBY CONSENT to the entry of the Amendment to the May
3 19, 1992 Consent Decree in United States, et al. v. Montrose
4 Chemical Corporation of California, et al., No. CV 90-3122-AAH
5 (JRx), subject to the public notice and comment requirements of
6 28 C.F.R. § 50.7.

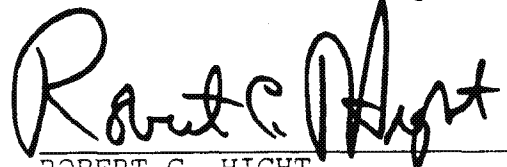
7
8
9 DATE: Sept. 11, 1998

Jacqueline E. Schaffer
JACQUELINE E. SCHAFER
Director of California
Department of Fish and Game

1 FOR THE CALIFORNIA STATE LANDS COMMISSION:

2 WE HEREBY CONSENT to the entry of the Amendment to the May
3 19, 1992 Consent Decree in United States, et al. v. Montrose
4 Chemical Corporation of California, et al., No. CV 90-3122-AAH
5 (JRx), subject to the public notice and comment requirements of
6 28 C.F.R. § 50.7.

7 DATE: 8/19/98


8 ROBERT C. HIGHT
9 Executive Officer of the State
10 Lands Commission
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1 FOR THE CALIFORNIA DEPARTMENT OF PARKS AND RECREATION:

2 WE HEREBY CONSENT to the entry of the Amendment to the May
3 19, 1992 Consent Decree in United States, et al. v. Montrose
4 Chemical Corporation of California, et al., No. CV 90-3122-AAH
5 (JRx), subject to the public notice and comment requirements of
6 28 C.F.R. § 50.7.

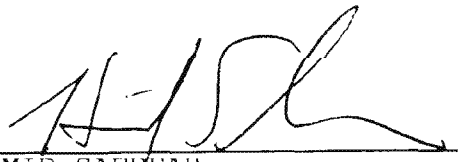
7
8 DATE: 8/28/98

Patricia J. Megason
PATRICIA J. MEGASON
Director California Department of
Parks and Recreation

1 FOR THE CALIFORNIA DEPARTMENT OF TOXIC SUBSTANCES CONTROL:

2 WE HEREBY CONSENT to the entry of the Amendment to the May
3 19, 1992 Consent Decree in United States, et al. v. Montrose
4 Chemical Corporation of California, et al., No. CV 90-3122-AAH
5 (JRx), subject to the public notice and comment requirements of
6 28 C.F.R. § 50.7,

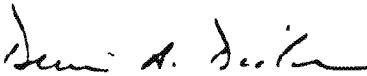
7
8 DATE: 9/8/98


9 HAMID SAEBFAR
10 Chief, Site Mitigation Cleanup
11 Operations, Southern California
12 Branch A
13 California Department
14 of Toxic Substances Control
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1 FOR THE CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD, LOS
2 ANGELES REGION:

3 WE HEREBY CONSENT to the entry of the Amendment to the May
4 19, 1992 Consent Decree in United States, et al. v. Montrose
5 Chemical Corporation of California, et al., No. CV 90-3122-AAH
6 (JRx), subject to the public notice and comment requirements of
7 28 C.F.R. § 50.7.

8 DATE: August 19, 1998



DENNIS A. DICKERSON
EXECUTIVE OFFICER
Los Angeles Region, California
Regional Water Quality Control Board

1 FOR POTLATCH CORPORATION:

2 WE HEREBY CONSENT to the entry of the Amendment to the May
3 19, 1992 Consent Decree in United States, et al. v. Montrose
4 Chemical Corporation of California, et al., No. CV 90-3122-AAH
5 (JRx).

POTLATCH CORPORATION

By:

6
7 DATE: September 3, 1998

8
9 NAME:

John M. Richards
John M. Richards

10 TITLE:

Chairman of the Board and
Chief Executive Officer

POTLATCH CORPORATION

1 FOR SIMPSON PAPER COMPANY:

2 WE HEREBY CONSENT to the entry of the Amendment to the May
3 19, 1992 Consent Decree in United States, et al. v. Montrose
4 Chemical Corporation of California, et al., No. CV 90-3122-AAH
5 (JRx).

6
7 DATE: August 31, 1998

8 
9 NAME: Colin Moseley

10 TITLE: Chairman

11 SIMPSON PAPER COMPANY
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1 FOR SIMPSON INVESTMENT COMPANY:

2 WE HEREBY CONSENT to the entry of the Amendment to the May
3 19, 1992 Consent Decree in United States, et al. v. Montrose
4 Chemical Corporation of California, et al., No. CV 90-3122-AAH
5 (JRx).

6
7 DATE: August 31, 1998

8 
9 NAME: Colin Moseley

10 TITLE: Chairman

11 SIMPSON INVESTMENT COMPANY
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